

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 98-443-C - ORDER NO. 1999-19  
JANUARY 7, 1999

IN RE: Application of The Other Phone Company, ) ORDER ✓/R  
Inc. DBA Access One Communications for a ) GRANTING  
Certificate of Public Convenience and ) APPLICATION  
Necessity to Provide Local Exchange and )  
Resold Long Distance Intrastate )  
Telecommunications Services within the State )  
of South Carolina and for Flexible Regulation )  
of its Local Exchange Services and )  
Alternative Regulation of its Long Distance )  
Business Services Offerings.

This matter comes before the Public Service Commission of South Carolina (“the Commission”) by way of the Application of The Other Phone Company, Inc. d/b/a Access One Communications (“Access One Communications” or “ the Company”) for authority to provide both local exchange and long distance telecommunications services within the State of South Carolina. By its Application, Access One Communications requests authority to offer resold local exchange services within the present operating areas of BellSouth Telecommunications, Inc; GTE South, Inc.; and Sprint/United. Access One Communications also requested that its local exchange telecommunications service be regulated in accordance with the principles and procedures established for flexible regulation by Order No. 98-165 in Docket No. 97-467-C and that its long distance business service offerings be regulated in accordance with the principles and procedures established for alternative regulation set forth in Order Nos. 95-1734 and 96-55 in Docket

No. 95-661-C. The Application was filed pursuant to S.C. Code Ann. §§ 58-9-280 and 58-9-520 and the Regulations of the Commission.

By letter, the Commission's Executive Director instructed Access One Communications to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the areas affected by the Application. The purpose of the Notice of Filing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceedings. Access One Communications complied with this instruction and provided the Commission with proof of publication of the Notice of Filing.

A Petition to Intervene was received from the South Carolina Telephone Association ("SCTA"). In its Petition to Intervene, the SCTA stated that it believed that the name of the Company (i.e. "The Other Phone Company") was potentially misleading. The SCTA further stated in its Petition that it understood that the Company intended to do business as Access One Communications, but requested that the Commission clarify that the Company would not do business in South Carolina under the name of "The Other Phone Company."

A hearing was commenced on December 17, 1998, at 10:30 a.m., in the Commission's Hearing Room. The Honorable Philip Bradley, Chairman, presided. Access One Communications was represented by Bonnie D. Shealy, Esquire. Florence P. Belser, Staff Counsel, represented the Commission Staff.

Kevin D. Griffo, President and COO of Access One Communications, appeared and offered testimony in support of Access One Communications' application. The

record reveals that Access One Communications is a Florida corporation which is registered to conduct business in South Carolina as a foreign corporation with the South Carolina Secretary of State. According to Mr. Griffo, Access One Communications proposes to offer resold local service bundled with toll, internet and voice messaging applications throughout the state of South Carolina. Mr. Griffo stated that the services of Access One Communications are tailored toward business customers.

Mr. Griffo explained that Access One Communications possesses the technical, financial, and managerial resources and abilities to provide interexchange and local exchange telecommunications services. Mr. Griffo stated that Access One Communications has been providing quality telecommunications services to over 6000 customers throughout the State of Florida since 1996 and that Access One Communications has a proven track record for providing high quality services and responsive customer service. Mr. Griffo testified that Access One Communications has incurred the normal start-up losses of entering the local exchange telecommunications market and that Access One Communications has the financial strength to absorb start-up losses. Further, Mr. Griffo offered that Access One Communications has a strong team to support its venture and further that access One has the managerial ability possessing a wealth of knowledge and day to day experience in the telecommunications industry to be a successful competitive local exchange and toll provider.

Mr. Griffo offered that Access One Communications' entry into the telecommunications industry in South Carolina will increase the level of local competition in South Carolina. Mr. Griffo also testified that approval of Access One

Communications' application would not adversely impact affordable local exchange service, and there is no evidence of record to suggest that the provision of local exchange service by Access One Communications will adversely affect local rates.

Mr. Griffo testified that the Company would operate in accordance with the Commission rules, regulations, guidelines and Commission Orders. Mr. Griffo also stated that Access One Communications would support universally available telephone service at affordable rates and that the provision of local service by Access One Communications would not adversely impact affordable local service. Mr. Griffo specifically stated that the services Access One Communications will provide will meet the service standards of the Commission. Additionally, the record reveals descriptions of Access One Communications' services, operations and marketing procedures.

In addressing, the concern raised by the SCTA, Mr. Griffo explained that the Company would operate within the State of South Carolina as Access One Communications, not as The Other Phone Company.

By its Application, Access One Communications requested waivers of the Commission requirements (1) of publishing a directory, (2) of maintaining its books and records in conformance with the Uniform System of Accounts, and (3) of any reporting requirements which are not applicable to competitive providers. Mr. Griffo testified that Access One Communications would arrange for its customers to be published in the ILEC's directory. As a reseller, Mr. Griffo testified that Access One Communications would not be constructing facilities or have direct control over physical facilities and requested an exemption from any report that would not be applicable to a resale provider. Finally, Mr.

Griffo testified that Access One Communications maintains its books and records on a nationwide basis according to GAAP (Generally Accepted Accounting Principles) and requested that the Commission grant a waiver of the requirement that the Company use the Uniform System of Accounts. Mr. Griffo explained that this waiver would avoid the necessity of the company maintaining two sets of books.

After full consideration of the applicable law, the Company's application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law.

#### **FINDINGS OF FACT**

1. Access One Communications is organized as a corporation under the laws of the State of Florida and has received a certificate from the South Carolina Secretary of State to transact business within South Carolina as a foreign corporation.
2. Access One Communications wishes to provide local exchange services and interexchange services within the State of South Carolina.
3. The Commission finds that Access One Communications possesses the technical, financial, and managerial resources sufficient to provide the service requested.
4. The Commission finds that Access One Communications' "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. § 58-9-280(B)(3) (Supp. 1997).
5. The Commission finds that Access One Communications will support universally available telephone service at affordable rates.

6. The Commission finds that Access One Communications will provide services which will meet the service standards of the Commission.

7. The Commission finds that the provision of local exchange service by Access One Communications “does not otherwise adversely impact the public interest.” S.C. Code Ann. §58-9-280(B)(5) (Supp. 1997).

#### **CONCLUSIONS OF LAW**

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to Access One Communications to provide competitive intrastate local exchange services in the areas of South Carolina served by BellSouth, GTE, and Sprint/United and to provide intrastate interLATA service and to originate and terminate toll traffic within the same LATA, as set forth herein, through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), directory assistance, travel card service or any other services authorized for resale by tariffs of carriers approved by the Commission. Any proposal to provide local exchange service to rural service areas is not included in the instant grant of authority.

2. Access One Communications shall file, prior to offering local exchange services in South Carolina, its final tariff of its local service offerings conforming to all matters discussed with Staff and comporting with South Carolina law in all matters. Access One Communications’ local telecommunications services shall be regulated in accordance with the principles and procedures established for flexible regulation first granted to NewSouth Communications by Order No. 98-165 in Docket No. 97-467-C.

Specifically, the Commission adopts for Access One Communications' competitive intrastate local exchange services a rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels that will have been previously approved by the Commission. Further, Access One Communications' local exchange service tariff filings be presumed valid upon filing, subject to the Commission's right within thirty (30) days to institute an investigation of the tariff filing, in which case the tariff filing would be suspended pending further Order of the Commission. Further, any such tariff filings will be subject to the same monitoring process as similarly situated competitive local exchange carriers.

3. The Commission adopts a rate design for the long distance services of Access One Communications which are consistent with the principles and procedures established for alternative regulation of business services offering set out in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C.

Under the Commission approved alternative regulation, the business service offerings of Access One Communications, including credit card services, operator services, and customer network offerings, are subject to a relaxed regulatory scheme identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. Under this relaxed regulatory scheme, tariff filings for business services shall be presumed valid upon filing. The Commission will have seven (7) days in which to institute an investigation of any tariff filing. If the Commission institutes an investigation of a particular tariff filing within the seven days, the tariff filing will then be suspended until further Order of the Commission. Any relaxation in the future reporting

requirements that may be adopted for AT&T shall apply to Access One Communications also.

With regard to the residential service offerings of Access One Communications, the Commission adopts a rate design which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

Access One Communications shall not adjust its residential rates below the approved maximum level without notice to the Commission and to the public. Access One Communications shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level for residential services reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1997).



4. If it has not already done so by the date of issuance of this Order, Access One Communications shall file its revised maximum long distance tariff and an accompanying price list within thirty (30) days of receipt of this Order. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.

5. Access One Communications is subject to access charges pursuant to Commission Order No. 86-584 in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

6. With regard to the Company's resale interexchange service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

7. Access One Communications shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If Access One Communications changes underlying carriers, it shall notify the Commission in writing.

8. With regard to the origination and termination of toll calls within the same LATA, Access One Communications shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993).

9. Access One Communications shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

10. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours.

Access One Communications shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. Attachment B shall be utilized for the provision of this information to the Commission. Further, the Company shall promptly notify the Commission in writing if the representatives are replaced, and the Company is directed to comply with the Commission regulations unless waived by the Commission.

11. Access One Communications shall conduct its business in compliance with Commission decisions and Orders, both past and future, including but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.

12. The Company is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

13. By its Application, Access One Communications requested waivers from Commission requirements (1) of publishing a directory, (2) of maintaining its books and records in conformance with the Uniform System of Accounts, and (3) of any reporting requirements which are not applicable to competitive providers. The Commission finds the

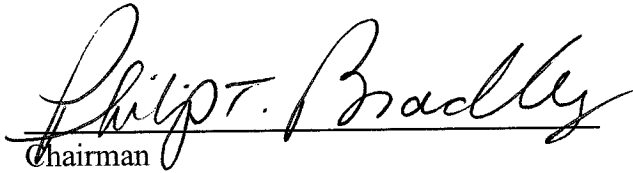
reasoning behind Access One Communications' requests for waivers reasonable and hereby grants the waivers of the regulations requested.

14. Title 23, Chapter 47, South Carolina Code of Laws Ann., governs the establishment and implementation of a "Public Safety Communications Center," which is more commonly known as a "911 system" or "911 service." Services available through a 911 system include law enforcement, fire, and emergency medical services. In recognition of the necessity of quality 911 services being provided to the citizens of South Carolina, the Commission hereby instructs Access One Communications to contact the appropriate authorities regarding 911 service in the counties and cities where the Company will be operating. Contact with the appropriate 911 service authorities is to be made before beginning telephone service in South Carolina. Accompanying this Order is an information packet from the South Carolina Chapter of the National Emergency Number Association ("SC NENA") with contact information and sample forms. The Company may also obtain information by contacting the E911 Coordination at the Office of Information Resources of the South Carolina Budget and Control Board.

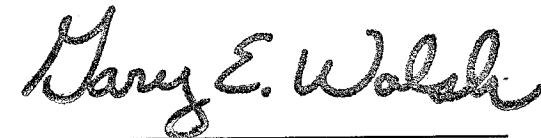
By this Order and prior to providing services within South Carolina, Access One Communications shall contact the 911 Coordinator in each county, as well as the 911 Coordinator in each city where the city has its own 911 system, and shall provide information regarding the Company's operations as required by the 911 system.

15. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS  
FOR INTEREXCHANGE COMPANIES AND AOS'S

COMPANY NAME

FEI NO.

ADDRESS

CITY, STATE, ZIP CODE

PHONE NUMBER

- (1)

SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING
- (2)

SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING
- (3)

RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS\* FOR  
12 MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING
- \*

THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,  
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION WORK IN  
PROGRESS, ACCUMULATED DEFERRED INCOME TAX, CONTRIBUTIONS IN AID OF  
CONSTRUCTION AND CUSTOMER DEPOSITS.
- (4)

PARENT'S CAPITAL STRUCTURE\* AT DECEMBER 31 OR FISCAL YEAR ENDING
- \*

THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION  
PAYABLE), PREFERRED STOCK AND COMMON EQUITY.
- (5)

PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND  
EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING
- (6)

ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE AMOUNT  
OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS WELL AS  
METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT (SEE #3  
ABOVE).

SIGNATURE

NAME (PLEASE TYPE OF PRINT)

TITLE

DOCKET NO. 98-443-C - ORDER NO. 1999-19  
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ATTACHMENT B

**INFORMATION OF THE AUTHORIZED UTILITY  
REPRESENTATIVES FOR INTEREXCHANGE, LOCAL  
AND AOS COMPANIES**

PURSUANT TO SOUTH CAROLINA PUBLIC SERVICE COMMISSION  
REGULATION 103-612.2.4(b), each utility shall file and maintain with the Commission  
the name, title, address, and telephone number of the persons who should be contacted in  
connection with Customer Relations/Complaints.

\_\_\_\_\_  
Company Name/DBA Name

\_\_\_\_\_  
Business Address

\_\_\_\_\_  
City, State, Zip Code

\_\_\_\_\_  
Authorized Utility Representative (Please Print or Type)

\_\_\_\_\_  
Telephone Number      Fax Number

\_\_\_\_\_  
E-Mail Address

\_\_\_\_\_  
This form was completed by      Signature

If you have any questions, contact the Consumer Services Department at 803-737-5230